

GINNY BROWN-WAITE
5TH DISTRICT, FLORIDA

COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON SOCIAL SECURITY
SUBCOMMITTEE ON HEALTH

414 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-1002

DISTRICT OFFICE:
16224 SPRING HILL DRIVE
BROOKSVILLE, FL 34604
(352) 799-8354
(866) GWAITE5

Congress of the United States
House of Representatives
Washington, DC 20515
September 9, 2009

Lori Parham
State Director
AARP Florida
200 W College Ave, Suite 304
Tallahassee, Florida 32301

Dear Lori:

Thank you for your letter. Everyday I hear from constituents who are concerned that AARP no longer represents their values. They are surprised to learn that AARP is the largest reseller of insurance in the country and as such has a vested interest in seeing that the market for reselling supplemental insurance expands. My constituents are surprised to learn that AARP no longer stands for American Association of Retired People, literally. Sometime ago AARP dropped the words "American", "Retired", and "People" from its title. AARP unfortunately has become a mouthpiece for this President at the expense of what is best for America's seniors.

Since you wrote me, I will begin by asking again for the information I asked of your Washington, DC office and have never received. What I expect from you is the usual stonewall. In order to have an honest discussion, please tell me how much your organization makes from reselling Medicare supplemental insurance plans. I would like to know what your profit margins are on your Medicare Supplemental products that you resell from the Hartford and United HealthCare. I would also like to know how much you make by selling Medicare Advantage products. Please include in your open disclosure how much profit you have made since Part D plans have taken such firm root in Florida. My office can provide you with a copy of my original letter should the communication between Washington and Florida prove too difficult.

Other than the references to my mailing to my constituents, I saw no page numbers, no bill citations, nor section numbers in your letter. From the information contained in your open letter to me, you seem to be unaware of the actual text in the legislation. Rather than reprinting slogans from the President's website and speeches, if you want to engage in a serious discussion worthy of the history of your organization, I suggest you read the bill. You should also know that the Democrats on the House Franking Commission approved every statement in my mailer as true. Perhaps you are unfamiliar with the rules of the House of Representatives.

On your suggestion that the \$30 billion in "cuts" to Medicare Part D is really nothing other than redirected savings in and capturing discounts. I would direct you to The Congressional Budget Office. Embarrassingly, you forgot to tell the reporter who covered your letter that on August 28th, CBO reported changes in Medicare Part D premiums that, as a result from certain provisions in H.R. 3200, would lead to an average increase in premiums for Part D beneficiaries of about 5 percent in 2011, rising to about 20 percent in 2019, hardly the savings to seniors you describe.

The actual text of HR 3200 includes on Page 122; Section 223 direction that the Secretary of HHS decide which prescription drugs are made available in the government-run plan by setting drug prices for drugs not covered by Medicare. This will impose price controls and further eliminate competition in the market. Competition is a key reason why premiums under Medicare Part D have decreased. Evidence has shown repeatedly that government officials in other countries have used this power to establish formularies, which deny access to necessary treatments on the basis of cost. I would like you to direct me to the section of the bill that prohibits the establishment of similar formularies. You cannot, because no such section exists.

All of America is now aware of the deals that the pharmaceutical companies have struck with the White House to have this section removed from the final bill. I would like to know, has AARP similarly met in secret with White House officials?

On healthcare rationing, your letter shows that you are woefully ignorant of the actual legislative text in HR 3200. Again, I'm not sure who did the analysis for you, but I suggest you put down your talking points from Washington, pick up the actual text of the bill and read for yourself. On Page 26; Section 121(c) the bill prohibits any health plan restriction "unrelated to clinical appropriateness", which is not further defined. Since you maintain that the bill will not ration care, why is this section necessary?

Page 33; Section 123 establishes a Health Benefits Advisory Committee to make determinations about health care services that will be available including "categories of covered treatments, items and services within benefit classes and cost sharing." As you should obviously know, a treatment made outside a category will be excluded and would be paid for out of pocket. Again, this is clearly rationing care.

Page 84-85; Section 203 requires the Commissioner to specify what health care benefits can be made available under four types of plans in the Exchange, rationing care for those in the plans. You said, "AARP has determined, after careful analysis that no such rationing exists in HR 3200." AARP must have skimmed the section on the Health Benefits Advisory Committee.

Multiple Sections, e.g. Sections 112, 113, 116, 121, 122, 123, and 124 require private insurers to comply with new coverage and underwriting rules in order to offer insurance products both inside and outside of the new national and state insurance exchanges. If your health plan, the one you have now and want to keep, does not comply with these new rules, you will not be able to keep it. I have seen you parrot the President's slogan on TV and on the press, but you clearly say this without knowledge of the text listed in the sections above. It is clear to all that AARP is hardly a neutral participant in this process.

You may have also missed page 253; Section 1122, lines 10-18. On this page the government, in creating a process to "validate relative value units" in the physician payment schedule, will weigh and determine what aspects of what physicians do matter. For example, is time, mental effort, professional judgment, technical skill, or physical effort more important in determining how much a physician should be paid for a service? What is the purpose of this other than restricting access to physicians?

Page 501-524; Section 1401 creates a "Comparative Effectiveness Research Commission" where government employees will decide what treatments are most effective. Again, I would ask you to direct me to the section that prohibits government bureaucrats from denying coverage on the basis of cost? Because it happened in the middle of the night, you may not be aware, but Republicans on the Ways and Means Committee offered an amendment to do just that. This amendment was voted down by Democrats. I was there. I can only surmise that the reason they would vote it down is because they intend for that kind of rationing to happen. We can chalk this disagreement up to ignorance of the legislative process.

On Medicare Advantage cuts, I stand by my comments. Like it or not, in a May 2009 interview with Meet the Press, Vice President Biden said that it is this administration's intention to eliminate this program. This is not the first time this President has been undercut by his Vice President, but if you won't take my word for it. How about Democrat Betsy Markey? She said just a short time back, "There's going to be some people who are going to have to give up some things, honestly, for all of this to work." It is shameful that you repeat the liberal line about this being simply overpayments to insurance companies. You know good and well that MA covers Part B and Part D premiums for many Floridians and that the elimination of these payments will mean higher healthcare costs for my constituents and your members. Of course people on Medicare Advantage have no need for your highly profitable supplemental insurance programs, which would explain your hostility to Medicare Advantage.

In many of your comments you refer to the 47 million Americans without health insurance. As you must surely know this number includes millions of illegal aliens. Since you personally have strongly and repeatedly advocated for covering all 47 million, my constituents and I can only assume AARP advocates extending taxpayer subsidized insurance to these illegals. Your own comments have created this confusion. All of Florida would look for clarification on your part: Does AARP Florida support providing insurance to illegals?

Your letter confirms for me that AARP is indeed most concerned with its profit centers. Where is your concern for the substantial cuts to nursing homes? You neglect these in your response. Where is your concern for the cuts to hospitals? You make no mention of these in your letter to me. Rather your letter only references the areas where your organization profits. Because you did not have the professional courtesy to send your letter to me before you sent it to a reporter, I have answered in kind by sending a copy of your letter and my response to your President in Washington and by posting all of my letters to AARP on my website for my constituents to read. Ms. Chin has also refused to answer questions about AARP's revenues and profit centers. She also refused to send my letter to AARP's board. Until AARP becomes transparent and answers my repeated questions about your sources of revenue and profit margins on the products you sell, I consider AARP to be an insurance reseller masquerading as an advocacy organization.

It is clear that AARP has turned its back on the poorest, sickest seniors in favor protecting its own revenue streams and protecting the insurance resale market. When AARP decides to embrace the position that my seniors have embraced, which is that we should fix Medicare first, you will have no stronger ally in the fight than me.

Sincerely,



Ginny Brown-Waite
Member of Congress

P.S. Lori, I find it stunning that the Social Security Administration released findings last week that Social Security will be insolvent in 2010, nearly a decade sooner than previously reported and AARP could not be bothered to raise alarm. Perhaps this is because AARP derives no revenue by protecting Social Security?